

JULY 2002 HIGHLIGHTS

The estimated cost of construction authorized by building permits in July was \$1,108.8 million. This was the second highest monthly total in the nearly seven years that the Department of Community Affairs has published construction statistics. Work on new houses, and additions or alterations to existing ones, accounted for \$520.8 million (44.1 percent). Nonresidential construction totaled \$660 million (55.9 percent); 519 municipalities reported.

Weehawken Township led all localities. The Hudson County municipality reported \$111.4 million of activity. Most of this was for the excavation and construction of a light-rail facility. The City of Hackensack in Bergen County reported \$82.3 million for the month. A new 308,000-square-foot medical facility accounted for \$80 million of this total. Paramus Borough in Bergen County had \$51.2 million of construction, \$45 million of which was the estimated cost of construction to build a new IKEA store. The City of Newark in Essex County reported \$28 million of construction for July; a new bank and office complex accounted for \$15 million of this amount.

Year-to-Date Review

All major indicators, except for new retail space, are down compared to this time last year. Last year, however, was a banner year. Construction activity reached heights that have not been seen in over a decade. The estimated cost of all construction activity declined by 6.1 percent, or \$428.6 million, compared to the activity reported for January-July 31, 2001. The number of new houses declined by 1,438 units, or 7.8 percent. The biggest decline was in the amount of new office space, which is nearly half the amount reported last year. Only new retail space is up by 1.4 million square feet, or 27.6 percent.

Major Construction Indicators, New Jersey: January to July Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January-July 2001	\$7,405,598,351	19,894	12,826,499	3,766,541
January-July 2002	\$6,977,038,190	18,459	6,723,355	5,200,147
<i>Difference Between 2001 and 2002</i>				
2001-2002	\$-428,560,161	-1,435	-6,103,144	1,433,606
Percent Change	-6.1%	-7.8%	-90.8%	27.6%
Source: N.J. Department of Community Affairs, 9/9/02				

As was the case last year, New Jersey cities are leading the pack with the most construction. Newark is top among all localities with \$184.7 million. The City also has built the most new houses (664 authorized units). Jersey City and North Bergen Township in Hudson County, Atlantic City in Atlantic County, and Weehawken each have reported more than \$100 million of activity between January and July 2002. New light-rail transit facilities accounted for most of the work in North Bergen and Weehawken. The biggest project in Jersey City was a \$98.2-million medical center. Hotel additions and a new middle school accounted for most of the activity in Atlantic City.